WORKING MOTHERS ARE PRESERVING FAMILY LIVING STANDARDS

A STAFF STUDY

Prepared For The Use Of The

JOINT ECONOMIC COMMITTEE

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REPORT ON WORKING MOTHERS

The increasing willingness of American mothers to assume the dual responsibility of a job outside the home and raising a family is a major reason why American families have retained much of the prosperity they enjoyed in the early 1970's.

More and more mothers with children under the age of 18 have gone to work (See Table I). Between 1973 and 1985, the number of mothers in the U.S. labor force increased by more than 50 percent. In 1973 only 44 percent of mothers were in the labor force as compared to 62 percent today. Nearly half of the women who joined the labor force during those years were mothers. Two-thirds of the mothers who are single heads of families and more than three-fifths of mothers in two-parent families are now in the labor force (See Table II).

The biggest percentage increase has come among women from two-parent families, and within that group, the largest jump has come among mothers of young children. The number of mothers entering the labor force from both single- and two-parent families rose in the 1973-1985 period. The increase among single-parent mothers was 8.1 percentage points, from 59.7 percent in the labor force in 1973 to 67.8 percent in 1985; the increase among married mothers was 19.1 percentage points, from 41.7 percent to 60.8 percent. In the same period, mothers with children under three years old rose from 29.4 percent in the labor force to more than 50 percent. Even among mothers with children under one, the labor force participation is now nearly half. In 1973 women below the age of 54 who had no children at

home were 44 percent more likely to be in the labor force than a married woman who had children at home. In 1985 they were only 17 percent more likely to be in the labor force (See Figure A).

Certainly part of this trend is attributable to the changing attitudes about the role of women, the increased educational attainment of women, and the desire of more women to have a career outside the home. But there appear to be very strong economic pressures on mothers to enter the work force even in two-parent families. A 1983 New York Times poll indicated that for 71 percent of mothers who work, the primary reason was not "for something interesting to do," or "to earn extra money," but to "support their family" (See Table III, Figure B).

A review of wage and earning statistics indicates why today many more mothers than in the past feel it is necessary for economic reasons to hold jobs outside the home.

Three previous studies released by the Joint Economic Committee have documented the decline in family income that has taken place since 1973.* Prior to 1973 family income increased on a yearly basis with remarkable consistency. Between 1947 and 1973, 20 of the 26 years set new record highs for family income. Between 1961 and 1973, 10 years out of 12 posted new records

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* "Family Income In America," November 28, 1985
"The Economic Future of the Baby Boom," December 7, 1985
"How Have Families With Children Been Faring?," December 25, 1985

for family income. The 12 years since the end of 1973 stand out in stark contrast. The level of family income experienced in 1973 has not been matched since. In 1984 median family income was 6.2 percent below the 1973 level. The previous JEC studies also indicated that the impact of declining income was particularly pronounced for younger workers or people of the so-called baby boom generation, and that families with children were particularly hard hit.

In 1973 the weekly earnings of a typical American worker in today's dollars were $398.00. Today, those earnings have declined to $355.00, a drop of 10.8 percent (See Table IV). The decline for a thirty-year-old male has been much more dramatic. In 1973 a thirty-year-old male earned, on the average, $25,253. By 1983 the average income of a thirty-year-old male had dropped by 25 percent to $18,763 (See Table V).

Clearly, if only the father worked in an average young two-parent family in the 1980's, there would be a drastic decline in family income as compared to 1973. The decline could be more than offset, however, if the 25- to 34-year-old wife in that young family went to work full-time. The federal government's Current Population Survey indicated in 1985 that a female in the 25-34 age group working full-time earned about 25 percent less on the average than a male counterpart, but still about $305.00 a week. In practice, not all the newly working married mothers work full-time, by choice or by necessity. On average, income

of two-parent families declined by 3.1 percent between 1973 and 1984 (See Table VI). A statistical analysis performed for the Joint Economic Committee by the Institute for Research on Poverty at the University of Wisconsin indicates that the decline would have been 9.5 percent if mothers had not increased their work force participation and their earnings (See Figure C). The loss in family income for the average two-parent family would have been more than three times as great if more mothers had not gone to work.

Placing both parents in the work force has significantly improved the gross income of many families, but the effect on the net income is more modest. There are often additional costs associated with two-earner families. Expenditures for child care, additional clothing, transportation, and for services formerly performed in the home may significantly offset a portion of the increased income. Further work on the degree of this offset is currently being prepared by the Committee.

Single-parent families have not had the opportunity to counter declining wages by sending additional family members into the work force and have been more adversely affected by the economic trends of the last 12 years (See Table VII). The same holds true for families in which one or the other parent is unable to work, or, because of feelings of parental responsibility, elects not to work.

TABLE I

MOTHERS' EMPLOYMENT/POPULATION RATIOS

	With Youngest Child Under 18	With Youngest Child Under 6	With Youngest Child Under 3	With Youngest Child Under 1
All Mothers				
1969	38.9	28.3	23.4	N/A
1973	47.5	31.6	27.6	N/A
1979	50.6	40.8	36.1	N/A
1984	55.0	45.7	41.5	N/A
1985	56.7	47.7	44.0	N/A
Married Women With Children				
1969	36.9	26.6	22.2	N/A
1973	39.6	30.6	27.2	N/A
1979	48.9	39.5	35.6	N/A
1984	54.9	47.2	43.7	N/A
1985	56.8	49.2	46.2	N/A
Women Maintaining Families				
1969	55.1	45.3	37.4	N/A
1973	54.4	40.2	32.1	N/A
1979	58.9	47.4	39.5	N/A
1984	59.1	44.0	32.5	N/A
1985	59.0	42.3	34.6	N/A
Percent Employed Full-time				
1969	71.2	-	-	-
1973	69.7	-	-	-
1979	70.1	-	-	-
1984	70.7	-	-	-
1985	71.3	-	-	-

Source: Bureau of Labor Statistics

TABLE II

WOMEN'S LABOR FORCE PARTICIPATION RATES

	With A Child Under 18	With Youngest Child Between 6 and 17	With Youngest Child Under 6	With Youngest Child Under 3	With Youngest Child Under 1
All Mothers (age 16+)					
1969	40.8	50.7	30.4	25.7	N/A
1973	44.1	52.8	34.2	30.2	N/A
1979	54.5	61.6	45.4	40.9	N/A
1984	60.5	68.1	52.1	47.7	46.3
1985	62.1	69.9	53.5	49.5	48.0
Married Women With Children					
1969	38.6	48.6	28.5	24.2	N/A
1973	41.7	50.1	32.7	29.4	N/A
1979	51.9	59.0	43.2	39.3	N/A
1984	58.8	65.4	51.8	48.3	46.7
1985	60.8	67.8	53.4	50.5	49.4
Women Maintaining Families					
1969	56.9	65.1	49.5	N/A	N/A
1973	59.7	68.3	46.6	38.5	N/A
1979	65.9	71.6	56.1	N/A	N/A
1984	68.8	77.1	55.3	45.0	43.4
1985	67.8	76.6	53.2	44.5	38.0

	All Women* With No Children	Married Women* With No Children	Unmarried Women* With No Children
1969	60.4	57.1	73.3
1973	63.7	61.1	74.3
1979	68.4	69.0	68.0
1984	70.7	71.7	70.1
1985	72.8	73.4	72.5

* Age 16-54

(Unmarried includes single, divorced, separated and widowed.)

FIGURE A

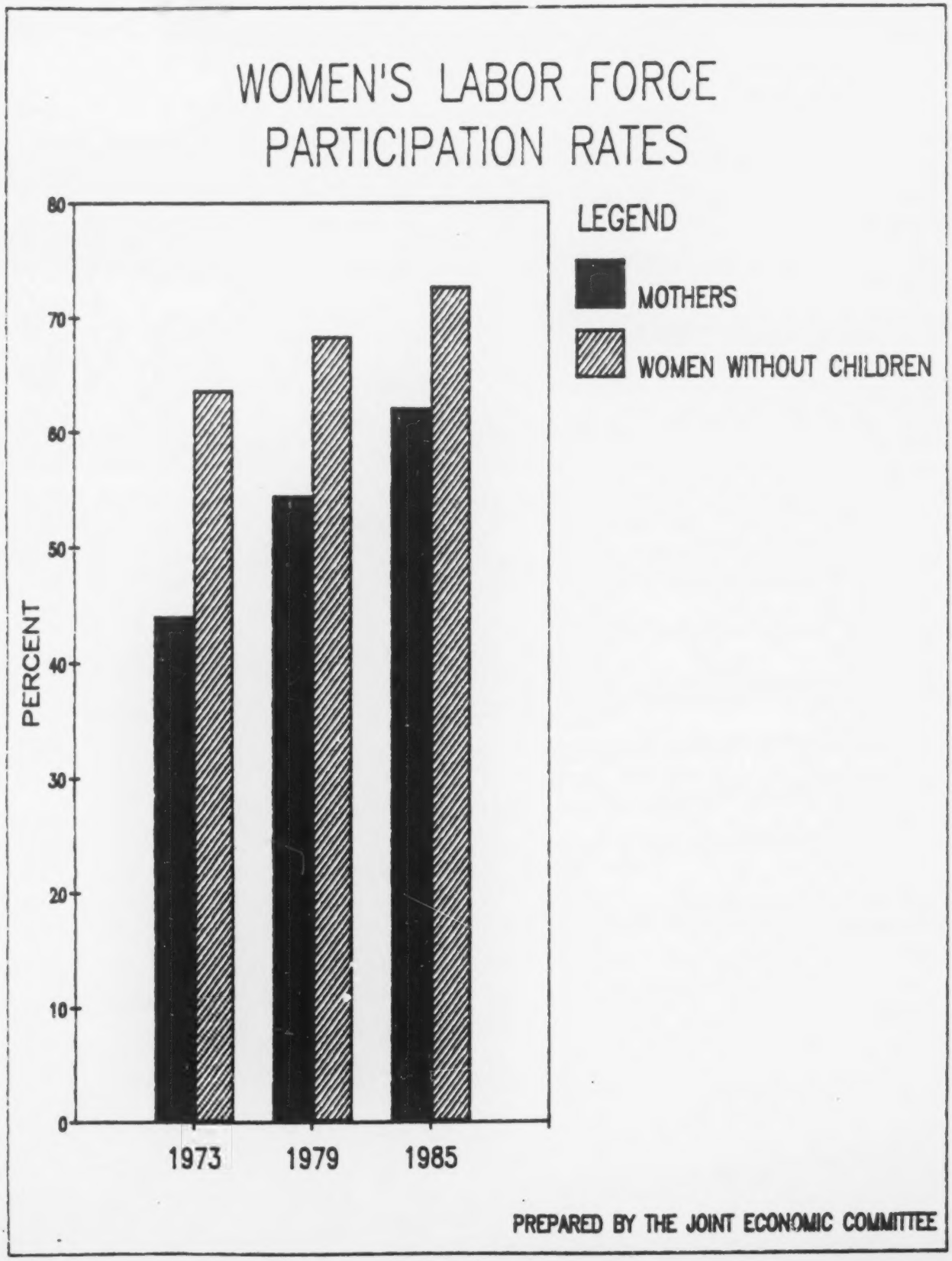

WOMEN'S LABOR FORCE
PARTICIPATION RATES
LEGEND
MOTHERS
WOMEN WITHOUT CHILDREN
PERCENT
80
70
60
50
40
30
20
10
0
1973
1979
1985
PREPARED BY THE JOINT ECONOMIC COMMITTEE

TABLE III

RESULTS OF 1983 NEW YORK TIMES SURVEY

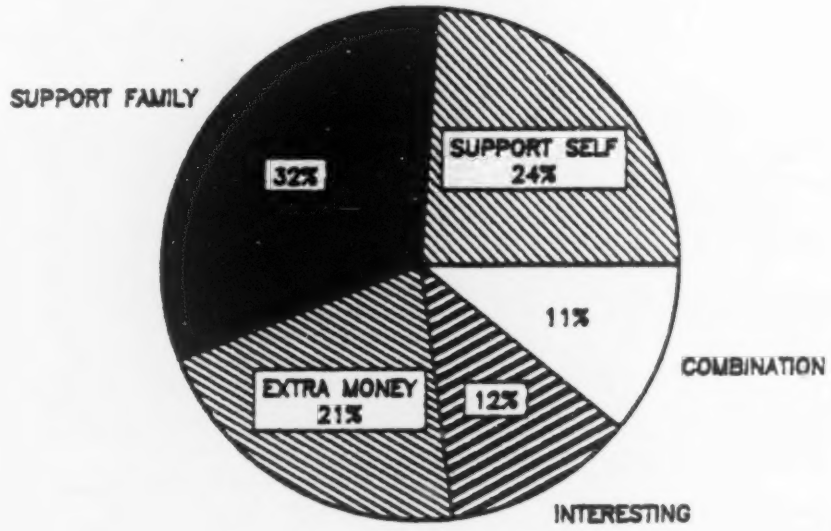
	All Working Women	Working Mothers*
1. Support Self	24%	4%
2. Support Family	32%	71%
3. Extra Money	21%	9%
4. Something Interesting	12%	5%
5. Combination	11%	11%

* Mothers with children living at home.

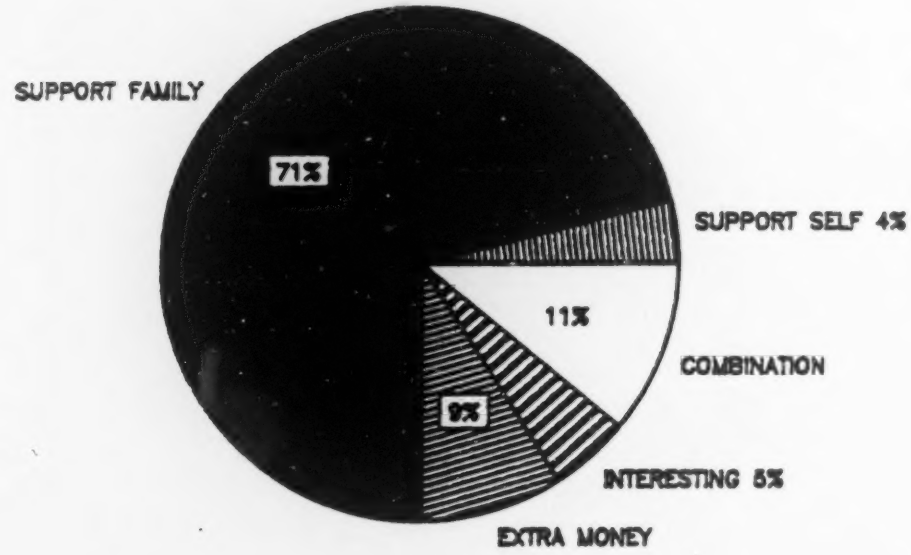
FIGURE B

WHY WOMEN WORK

RESULTS OF A 1983 NEW YORK TIMES SURVEY



ALL WORKING WOMEN



WORKING MOTHERS WITH CHILDREN AT HOME

PREPARED BY THE JOINT ECONOMIC COMMITTEE

TABLE IV

MEDIAN WEEKLY EARNINGS OF FULL-TIME WAGE AND SALARY WORKERS (1986 Dollars)
1973 - 1985

	1973	1979	1985	1973-1985	1979-1985
Both Sexes, 16+ Years	$398	$368	$355	-10.8%	- 3.5%
Males, 16+ Years	$471	$446	$420	-10.8%	- 5.8%
Males, 25-34 Years	$486	$452	$407	-16.3%	-10.0%
Females, 16+ Years	$290	$279	$287	- 1.0%	+ 2.9%
Females, 25-34 Years	$313	$305	$305	- 2.6%	0.0%

Source: Bureau of Labor Statistics

TABLE V

THE ECONOMIC SITUATION OF 30-YEAR-OLD MEN
(1986 Dollars)

Man Age 30 In:	Average Earnings At 30	Average Earnings When Man Reaches 40	Earnings Growth From Age 30 to Age 40
1949	$ 12,770	$ 20,856	+ 63%
1959	18,407	27,445	+ 49%
1973	25,253	25,055	- 1%
1983	18,763	?	?

Source: Joint Economic Committee research report by Professor Frank S. Levy, School of Public Affairs, University of Maryland and Richard C. Michel, Director of the Income Security and Pension Center, The Urban Institute.

TABLE VI

EARNINGS OF WORKING MOTHERS AND FATHERS
IN TWO-PARENT FAMILIES WITH CHILDREN
(1986 Dollars)

	1973	1979	1984	% Change 1973-1984
Mothers' Earnings	$ 9,084	$10,306	$10,701	+ 17.8
Fathers' Earnings	$30,454	$28,618	$27,166	- 10.8
Mothers' Earnings, as a % of Fathers' Earnings	29.8	36.0	39.4	+ 32.2
Mean Family Income	$38,010	$37,893	$36,818	- 3.1

Note: This includes part-time workers.

Source: Institute for Research on Poverty,
University of Wisconsin-Madison

FIGURE C

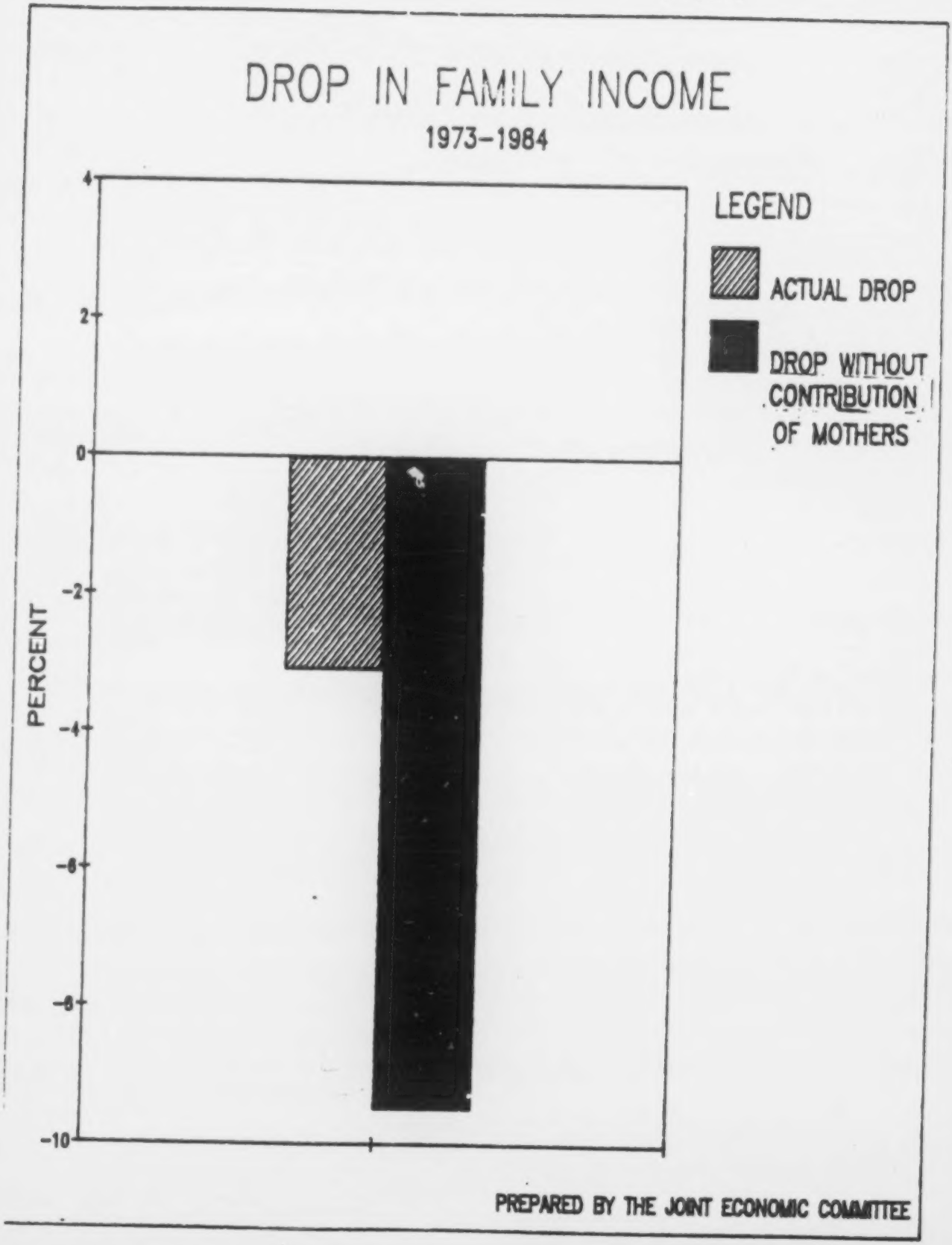

DROP IN FAMILY INCOME
1973–1984
LEGEND
ACTUAL DROP
DROP WITHOUT CONTRIBUTION OF MOTHERS
PERCENT
4
2
0
-2
-4
-6
-8
-10
PREPARED BY THE JOINT ECONOMIC COMMITTEE

TABLE VII

EARNINGS OF WORKING MOTHERS
IN FEMALE-HEADED FAMILIES WITH CHILDREN
(1986 Dollars)

	1973	1979	1984
Earnings of Working Mothers	$10,753	$12,570	$12,109
Mean Family Income of All Female-Headed Families	$15,390	$15,789	$14,197
% of Female-Headed Families With a Working Head	63.6	66.6	66.3

Source: Institute for Research on Poverty,
University of Wisconsin-Madison